

Fiscal Note

Fiscal Services Division



HF 2110 – Unemployment for Military Relocation (LSB 5441HV)
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Fiscal Note Version – New

Description

House File 2110 permits the payment of unemployment benefits to individuals that leave employment because of the relocation of their spouse by the military. An employer's account will not be charged for any benefits paid under this legislation.

Background

Employer contributions to the Unemployment Insurance Trust fund are based on a calculation by the Iowa Department of Workforce Development that takes into account, among other things, the amount of money available in the Trust Fund and the utilization of the Trust Fund by the employer's former employees. While the benefits paid under this legislation are not chargeable to an employer, it is possible for payments from the Trust Fund to have an impact on employer contributions.

There is currently approximately \$154.1 million in the Unemployment Insurance Reserve Fund and \$318.3 million in the Unemployment Insurance Trust Fund.

Assumptions

- There will be 48 claims for unemployment benefits annually.
- Benefit payments will be \$300 per week for each claimant and the average payments will be for 14 weeks.

Fiscal Impact

House File 2110 will increase expenses for the Unemployment Insurance Trust Fund by an estimated \$202,000 annually beginning in FY 2011. Because of the many variables that go into calculating contributions to the Trust Fund, it is not possible to determine what, if any, possible impact the legislation will have on future employer contributions.

Source

Iowa Department of Workforce Development

/s/ Holly M. Lyons

January 25, 2010

The fiscal note for this bill was prepared pursuant to **Joint Rule 17**. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
